

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
September 2003**

Date: November 10, 2003

To: All Civil Service/Exempt Departments

From: State Controller's Office
Don Ward, Manager
Personnel/Payroll Operations
(916) 322-8805

RE: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the September 11, 2003 Personnel/Payroll Committee (PPRC) Meeting and provides information for the November 13, 2003 meeting.

We would like to thank those department representatives that participated in the September meeting for their time and effort. There were 57 representatives from 40 departments that participated in this meeting.

Personnel/Payroll Review Committee
September 11, 2003 Meeting Notes

The meeting was called to order at 1:30 by Don Ward

Departments represented:

Air Resources Board, Alcohol and Drug Programs, Board of Equalization, California Energy Commission, California Highway Patrol, California Housing Finance Agency, California Integrated Waste Management, CalPERS, California Student Aid Commission, Commission on Teacher Credentialing, Consumer Affairs, Corrections, EDD, Electricity Oversight Board, Environmental Health Hazard Assessment, Finance, Financial Institutions, Food & Agriculture, Forestry and Fire Protection, Franchise Tax Board, General Services, Health and Human Services Data Center, Health Services, Insurance, Justice, Managed Care, Motor Vehicles, Parks and Recreation, Rehabilitation, Secretary of State, State Controllers Office, State Personnel Board, State Teachers Retirement System, Statewide Office of Health Planning, Toxic Substances Control, Treasurer's Office, Water Resources, Water Resources Control Board, Youth Authority.

Old Business:

None

New Business:

Agenda Items
Distribute Handout Materials
Approve Prior Meeting Notes
Guest Speakers
SCO Update
Department Issues/Concerns
Confirm Next Meeting Agenda, Time and Place

Discussion:

Approved August 2003 meeting notes.

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Guest Speaker(s): William Greenhalgh, CalPERS Health Benefit Division addressed the following: The biggest change to open enrolment will be here in Sacramento and that is Western Health Advantage will be opening up to your employees. Please be sure that your employees are aware that Sutter does not contract with Western Health Advantage. A lot of people wanted to move over there but then realized that Sutter does not contract with Western Health Advantage and will most likely be resubmitting their open enrollment transaction. Western Health Advantage does contract with UC Davis, Golden State, and Med Clinic. A big change in Ventura County involves Kaiser contracting with doctors groups rather than having a centralized Kaiser facility. This will no longer continue, they are going to go back to having a centralized facility. This is all covered in the open enrollment package.

The question was raised at last month's meeting and I received a note after it regarding COBRA and whose responsibility it is to process and maintain COBRA documentation for active employees that separate from your agency. Who maintains that document, the answer is you do. The agencies are required by Federal law to maintain all documentation for employees that go on COBRA. The only problem that may arise is if the employee ever sues stating that their COBRA rights were violated, they cannot sue CalPERS and the reason for this is that we are not the employer, the agency is. The way the attorney explained it is that if I invite you into my house and you fall and break a leg I can't tell you to go sue my neighbor, you as the employing agencies are the responsible party.

Cheryl Salvador, Cal PERS, Actuarial & Employer Service Division addressed Partial Service Retirement. Due to the current budget situations, some employees may consider reducing the amount of time they work and the remaining time take a "Partial Service Retirement". For additional information the employee can obtain one of CalPERS' publication – Partial Service Retirement (PERS-PUB-14). For the employer, there is information in the BAM manual in Section 1700; or refer to PML 99-015. Also, DPA revised the "Partial Service Retirement Application" (DPA-062). The new form can be found on DPA's web site.

SCO Update:

PPRC meetings: Due to budget reductions, the PPRC meetings are being changed from monthly to every other month. As such, the October meeting was canceled and the next PPRC meeting is scheduled for November 13, 2003. Listed at the bottom of these notes is a schedule of meetings through 2004. However, SCO will continue to attend the monthly Transaction Supervisor's Forum, which are held on the third Thursday each month.

Reminders: If you call Personnel Liaison, please complete as much research as possible prior to calling. Questions on salary calculations and DPA Pay Letter interpretation should be addressed to DPA. Also, if you call our Payroll Liaison Unit, please research the situation completely prior to calling. If leaving a message, please leave all the information needed for our research. This includes your name and phone number, the employee's name and social security number, the pay period in question and any other pertinent information. This allows us to start researching the situation prior to returning your call and makes it much easier to resolve. Please do not use the urgent feature on the voice mail. We work our phone calls in the order they are received.

PIP: We're seeing a lot of PIP errors. The most frequent situation is using the current pay period when keying overtime and shift for the prior month's overtime and premium payments. These types of errors are time consuming to resolve and take away from our time to work other transactions for you.

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Dock: If you redeposit a warrant on a 674 or a CD66 and the situation is dock, please wait until after the redeposit to key your dock. If you key your dock prior to the redeposit, pay will not issue. If you wait until after the redeposit and key your dock and you've already keyed your attendance it will all come together and pay will issue.

Retroactivity Report: We're going to be more stringent on the cut off dates for contesting charges. If you send them in past the due dates, we're going to bounce them without any contested items being credited. The cover letter always gives you the due date, you must ensure getting these back to us timely. Based on numerous requests, we changed the sort on the Retroactivity Report back to agency unit order.

Payment History Requests: The W-2 Unit is taking over the function of providing Payment History and Year-To-Date (YTD) requests from departments. Typically, we receive these requests when the information is beyond what's available on-line; (e.g., 36 months for Payment History and current year, plus 4 prior years for the YTD's). If you need this information, send your request to the attention of our W-2 Unit. The request must be on your department's letterhead and include an authorized signature that's on file in our Production Support Unit. We will not accept faxes or mini-memos for this information. If you are requesting payroll information for your employee for a period of time when the employee worked for a different agency, you must also have the employee's written authorization included in your request to us.

Undeliverable W-2s: Annually, we receive approximately 7,500 undeliverable W-2s that require us to sort, log and subsequently return them to the employing agency/campus. In an effort streamline this process, we will begin showing the employing agency/campus return address instead of SCO's return address. Per Payroll Letter # 03-016 issued October 6, 2003, we requested that you provide us with your address by November 7, 2003. If we do not receive a preferred address from you by this date, we will use the mailing address shown for your agency on the California Personnel Office Directory (CPOD).

New Wage Garnishment: We received an inquiry from a department regarding a wage garnishment that was new to us. It was per the Debt Collection Improvement Act of 1996, which allows the United States to collect a non-tax debt owed without obtaining a court order. After our research, we determined that it was a valid garnishment. Unfortunately, we do not have a specific item for it on the current STD. 639 form. This garnishment can be for as much as 25% of disposable income; however, the one that we researched was 15%. Our system will require a modification to perform this type of calculation. If you receive one of these garnishment types, please contact our Garnishment Unit for guidance on processing.

Alpha Roster: We are planning to place the alpha rosters on ViewDirect as a cost saving measure. We hope to have this available in the next 1-2 months. The question was asked if a department could get two versions, one with the social security number and one without it. We plan to make both versions available.

Master Payroll Certification Problems: We have previously addressed this. Specifically, we see a number of departments that are not keying their MPC timely. As such, we have payments and adjustments that are not issuing via the system like they should. We are running monthly reports that identify which agency/units are not being keyed via the MPC process. There were quite a few that were still not keyed for July and in the beginning of September there were still numerous reporting units not keyed for August. We will be sending you a personal e-mail requesting your assistance in clearing your MPC and we will tell you which reporting units need to be keyed. The e-mail will be sent to the Transaction Supervisors.

Questions/Concerns:

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Question: On keying dock prior to the redeposit of a return warrant. We had a specialist who did key her dock prior to the redeposit and pay issued. Now she thinks this is the way to do it, why did it work?

Answer: If the dock was keyed in the same cycle as the redeposit, then the system went through the transactions in order, and after the redeposit, the dock and attendance worked causing the pay to issue. This was just a matter of luck having the redeposit and dock hit the same cycle. You should never count on that happening, you'll just end up having to key the dock again.

Question: On the Retroactivity Report, our specialist who works this would like to see more explicit codes used. The codes that are currently on there don't apply to all of our situations.

Answer: We will look into developing codes to simplify the process.

Question: Will the new system take care of the problem with your staff having to manually issue the out of history payments?

Answer: It's too early to know what the new Personnel and Payroll system will be able to do. However, beginning in the spring of 2004, the 21st Century Project Communication Team will be conducting a forum with departments to share and exchange information regarding the new system.

Question: Is there a way to reduce the number of NOPA's received when you key multiple times on one employee? Sometimes you end up keying more than one PAR transaction in one day and you receive NOPA's for each transaction. Would it be possible to put a box in the form you could check if you don't want a NOPA generated? Per SPB these NOPA's are legal documents for those transactions keyed. If you're not liable for not providing the employee with each NOPA it would be great. Would it be possible to print out our own NOPA's?

Answer: This was discussed at the June 2003 meeting and the following was provided. A suggestion was made to stop sending NOPA's if the change or correct does not have any effect on the employee. Although the suggestion would save paper, mailing and distribution costs, it is not a change we can pursue at this time due to limited analytical and programming resources and other priority tasks. If not already being done, the department does not need to give the NOPA to the employee if the NOPA is a result of a correction or void that does not produce any visible changes from the original NOPA (see PAM page 7.2-7.3). This would eliminate and or minimize employee confusion and save you some explanation time.

Question: Have you made a determination based on our survey regarding Telephone Liaison hours?

Answer: We are not reducing the liaison hours at this time. That could change if we have further budget reductions. We're looking at some reorganizing internally to assist us with our workload.

Question: Our management wants to know based on the AB2410 law, timeliness of the payments, when we see a payment on the system what is the time frame between when the payment is created and then available for us to be picked up at Disbursements?

Answer: For daily cycle payments, Disbursements goal is to have the payments available for pick up at 1:00 P.M. on the same day they are issued. Also, according to Disbursements, they typically meet this goal. However, there are a number of variables that can affect this time. First, it starts with our computer room printing the daily payroll output timely. Once this occurs, the output is delivered to various divisions. PPSP's output is distributed to staff and reviewed (approximately 2,000 - 6,000 messages) for any potential overpayments. Any overpayments

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result in holds for warrants and strips for direct deposit. The faster we clear the daily payroll, the quicker Disbursements can release payroll; especially now that they no longer have to deal with warrant registers. Unfortunately, we can have as few as four warrant holds one day, to as many as 400 on another day. As such, PPSD's process can range from 10:00 to 11:30 or later depending what's in that specific cycle. Once we send Disbursements the warrant holds, they have to pull those warrants and then repackage the payroll for release.

Question: What you're saying is that if we key something on PIP today and we see it tomorrow on view direct and if we have a courier delivery pick-up from our department in the afternoon we could get the pick-up.

Answer: Yes, if you're at Disbursements at 1:00 P.M. the pick-up should be available. However, to ensure they have your payroll available the majority of time, you may choose to send someone between 1:30 and 2:00.

Question: Has anyone else had a problem with the pressure sealed warrants being opened prior to receiving them in their office? Our employees thought that we had opened them.

Answer: It appeared to be only one department that had this problem. According to Disbursements, it's most likely the pressure sealed stock, but this happens very rarely. Should anyone have this problem in the future, please contact Disbursements.

Question: Suspended payments, where are we on that?

Answer: The last paper report was sent out in mid-October 2003 with a letter requesting your assistance in clearing as many items as you can. A Payroll Letter will be issued in late November to early December 2003 that will explain the process and give you ViewDirect access for both the suspended payments and transactions.

Closing:

The PPRC encourages attendance by department representatives interested in improving the efficiency of personnel/payroll administration. However, if you are unable to attend these meetings and you have an issue or question you would like the committee to address, please contact Don Ward with pertinent information.

Next Meeting:

The next Meeting is Thursday, November 13, 2003 from 1:30 to 3:30 at:

State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814

Listed below are the PPRC meeting dates for the 2004 calendar year. All meetings are from 1:30 to 3:30 at the above location.

January 8, 2004
March 11, 2004
May 13, 2004
July 8, 2004
September 9, 2004
November 18, 2004

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Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact Don Ward at (916) 322-8805 or via e-mail at dward@sco.ca.gov.